



ST. CHARLES PARISH

RISK MANAGEMENT OFFICE

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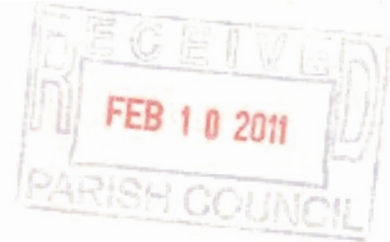
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Website: www.stcharlesparish-la.gov

V.J. ST. PIERRE, JR.
PARISH PRESIDENT

MONIQUE GRANIER, OHST, CRM, CIC
RISK MANAGER

MEMORANDUM



TO: V.J. St. Pierre, Jr., Parish President

FROM: Monique Granier, OHST, CRM, CIC
Risk Management Officer

RE: 2010 Risk Management Office Annual Report

Continued Risk Management Office Accomplishments:

“Risk Management is the practice of protecting an organization from financial harm by identifying, analyzing, and controlling risk at the lowest possible cost.”

Risk Management is an ongoing process of identifying exposures, measuring them against the Parish’s loss withstanding capabilities, and the handling of risk with appropriate control, transfer and financing techniques.

The Risk Management Office continued success is accomplished as a team effort in working with all other departments and support from the Administration.

I. GENERAL LIABILITY & AUTO LIABILITY INSURABLE CLAIMS:

- The Parish currently has an SIR (Self Insured Retention) or a deductible, if you will, of \$50,000 per occurrence with an Aggregate or a limit/cap of \$500,000. All claim costing in excess of the SIR means the insurance company pays this portion up to the policy limit. Our Insurance Carrier via Gallagher Bassett reviews all claims activity, but especially those above the SIR.
- **The Parish has filed 11 insurable claims for 2010.**
- The current policy period is 03/01/08 –03/01/09 therefore;
 - **The annual report is due two months prior to the policy period ending.**
 - The final figures and overall costs **WILL** increase
 - The annual report cannot reflect the potential lawsuits that maybe filed in 2011 for the 2010 policy period (claimants have one year after incident to file a lawsuit).

- The 11 insurable claims (reported to insurance carrier) currently paid are roughly \$147,269.60 of the \$500,000 Aggregate or SIR (Self Insured Retention Fund).
 - With only two months remaining in the 2010 policy period, the Parish has three current 3rd party bodily injury claims (two from auto accidents and one slip fall), that have unknown settlement amounts.
 - The Parish to date has filed 18 fewer claims than last year, but the cost of the claims is about the same.
- In house losses consist of claims for \$1,600 or less and all Parish Departments fund the in house losses annually to pay for “expected” losses related to our general operations of Parish Government.
- **Expected Losses known as “the cost of doing business” must stay absorbed within the Parish budget to avoid insurance premium increases.**
- In the 2010 policy period, the Risk Management Office handled 170 “in house loss claims” at cost of \$48,526.61 – again fewer claims, but an increase in the amount of the claims compared to last year. One significant reason for the increase is that when Parish vehicles are involved in an accident, the cost of repairs must be paid from the “in house loss fund” and therefore these claims are outside of the SIR.
- The Risk Management Office is responsible for having all trees that are requested to be cut down looked at by the County Agent and assuring that the tree is legally on Parish servitude prior to writing a work order for the tree removal.
- The Risk Management Office also investigates countless residential complaints, public safety concerns, employee safety related complaints, and assures someone responds twenty four hours a day, three hundred and sixty five days a year. The EOC dispatches Risk Management for after hour call outs that average forty to sixty hours a month.

II. PROPERTY INSURANCE CLAIMS:

- The Parish deductible for property damage claims is \$100,000 SIR (per occurrence) with named storms having a much higher deductible.
- Since my tenure in 2000, the Parish only exceeded the \$100,000 property deductible with damage to the Parish Courthouse in 2005 for Hurricane Katrina
- The Parish to date has had only four “first party” property damage claims in the 2010 policy period (with three months remaining in the policy period) costing a total of \$10,534.46 – roughly \$10,000 less than 2009.
- The property claims were: a lightning strike at a pump station, a water leak at courthouse, vandalized wastewater lift station, and two stolen diesel fuel tanks from a pump station.
- The Risk Management department added five new buildings to the property list to include an “in house” appraisal to determine insurable values. The appraisals completed in house saves the Parish tens of thousands of dollars and consists of a professional property appraisal file.
- The re-evaluation of Parish properties means the total value insured for St. Charles Parish is roughly \$79 million.

III. Continued decline in the number of claims & costs to handle claims by a 3rd party administrator (TPA).

- Risk Management handled a total of 182 claims (SIR & In House Loss Fund) for 2010. The Third Party Administrator (TPA) firm charges an average of \$1,000 for every claim they handle meaning without a Risk Management Office to handle these claims, the Parish would have paid a minimum of \$182,000 in claims fees.
- Prior to my tenure in 2000, all Parish claims were handled by a 3rd party TPA from 1995-1999 whereby a fee of one thousand dollars or more was assessed per claim on an average of forty claims per year.
- The Parish to date has only had four 3rd party bodily injury (BI) claims whereby a TPA fee will be assessed.

IV. Risk Management involvement in insurable lawsuits against the Parish continues in savings of thousands of dollars in legal fees and settlement costs.

- The continued practice of active Risk Management in all actual and potential claims along with support from all Departments and the Administration continues to minimize litigation against the Parish.
- The number of lawsuits filed against the Parish continued to be reduced significantly since the year 2000.
- The Parish has a total of **five open insurable lawsuits** with two of the suits involving auto accident bodily injury claims. The Parish has paid the SIR cap in these two lawsuits with Traveler's Insurance Company handling them directly meaning no further expense to the Parish.
- Three of the remaining lawsuits involve (1) a class action suit against the Parish and Dow for the chemical release in 2009, (2) lawsuit involving alleged violations in constitutional re-zoning, and (3) lawsuit involving culvert installation on a specific site in the Parish. The Parish will only be responsible for meeting the \$50,000 SIR in each of the lawsuits for the defense costs.

V. Continued Decrease in the frequency of Worker's Compensation Claims and reducing the cost of Worker's Compensation Claims for 2010.

- In 2010, the Parish had 63 claims costing \$157,629.02. In 2009 the Parish had 67 claims costing in total incurred cost of \$325,462.66.
- *Note: Work Comp claims do not fully mature until five years out meaning the claims costs may increase.
- **For the last several policy periods with the exception of 2009, the claims costs resulted in Self Insured Program (SIP) cash refunds back to the Parish.**
- St. Charles Parish purchases Worker's Compensation Insurance under a "SIPP" known as a Loss Sensitive Incentive Premium Program whereby the Parish has the potential to receive safety incentives based off our performance. * This type of insurance is rarely offered to government agencies and the Parish continues to save money on premiums with this program.



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In 2011, the Parish received a \$57,000 premium refund for the 2008 worker's compensation policy. These funds will be applied to the 2011 Worker's Compensation premium.

Risk Management continues to strive to reduce employee injury and facilitate high quality medical services for our injured employees.

Website: www.stcharlesparish-la.gov

VI. The Risk Management Office Coordinated, facilitated, and/or assisted, or conducted Safety Training in 2010 and maintains documentation.

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RISK MANAGER

- Driver Safety Training – spring of 2010 per our policy
- Work Zone Traffic Control
- Streets/Road Checklist for Public Works
- Man Lift (JLG)
- Heat Stress
- Safe lifting
- Dawn/Dusk Driving
- Dump Truck Training
- Accident/Property Reporting Procedures
- Housekeeping for Workplace
- First Aid for minor wounds

Risk Management averages five safety topics a month for Public Works, Recreation, Government Buildings, and Wastewater.

VII. Risk Management Office provides ongoing consultation and recommendations to the Administration, Department Heads, Assistant Directors, etc. regarding:

- Workplace Safety and Health
- Environmental (HBV, DEQ)
- Loss Control/ Loss Prevention - Liability
- Parish Contracts
- Public Works Streets and Roads Conditions
- Recreation Park Inspections
- Continued work with disaster drills to include homeland security, nuclear accident, hurricanes, chemical releases, etc.

VIII. RISK MANAGEMENT TRAINING/CERTIFICATION

- Risk Management Officer maintains three separate professional certifications to include: OHST (Occupational Health & Safety Technologist) by the board of certified safety professionals, CRM (Certified Risk Manager) and CIC (Certified Insurance Counselor) both by the National Alliance for Insurance. Each of these requires mandatory continuing education credits annually.
- The professional training keeps our safety and risk management programs effective and strong with continued ways to improve and contain losses.

Ultimate Conclusion:

- Risk Management within all aspects of Parish Operations strives for improvement in minimizing, preventing, controlling, and/or avoiding accidents and incidents that affect the bottom line of the Parish Budget.